

**STATEMENT OF SENATOR ASHCROFT  
FRAUD: TARGETING AMERICA'S SENIORS  
FULL SENATE COMMERCE COMMITTEE HEARING  
AUGUST 4, 1999**

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If we are blessed, we are afforded the opportunity to grow old. If we are truly blessed, over a lifetime we amass sufficient resources to enjoy our later years in life. Unfortunately, a group of criminals is preying on America's seniors to ensure that they can not enjoy those years.

The purpose of today's hearing is to bring attention to the growing problem of fraud and abuse affecting America's seniors. The financial exploitation of seniors has serious implications. It deprives the victim of their life savings -- their economic foundation for independence.

People in Missouri have written to me asking that we look at this issue. They are asking that we take an aggressive stand in protecting them.

I received a letter from a disabled vet who ordered merchandise 35 times hoping to win a valuable prize. He has been deprived of the money he needs to survive. Now he cannot afford to make repairs to his house or even go to the doctor.

One Missouri resident testified before the National Association of Attorneys General hearing on Sweepstakes about her father who spent \$100,000 on these sweepstakes. She testified about the devastating impact it had on their lives. She said, it broke our hearts, it destroyed family relationships, it destroyed our last memories of Father.

I received a letter from one elderly woman that merely stated, I am one of the victims in this scam. Please help.

The types of schemes used to separate seniors from their money are numerous. They involve prize promotions where seniors are told they have won a valuable prize such as a car, vacation, cash or jewelry. In order to claim the prize, of course, the winner must purchase some product. The senior never gets the prize and more often than not they don't even get the product.

Finally, the worst of these scams is what are known as recovery room operations. These are literally the vultures of the fraud community. They purchase lists of people who already have been defrauded by others. They contact these seniors and offer to recover the lost funds for a fee. They remove every shred of hope that these victims have left. In the end they take the

remaining savings of the senior.

Although there are a number of federal and state laws which prohibit these schemes, it is impossible for our seniors to protect themselves without an understanding of these protections and how these scam artists work. For example, they may be unaware that they have the legal right to be taken off of these call and mail lists. They are unaware that they do not have to pay anything to collect a prize. Further, they are unaware that they do not have to pay for credit repair or recovery room services until these services actually have been delivered.

It is my hope that today's hearing will help the Committee gain a better understanding of this problem. I also hope it will begin a process of educating not only members about this problem but seniors, members of the law enforcement community and social service organizations. Education is one of the ways for seniors and those who love them to protect them from fraud.

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